

FISCAL NOTE

TO: Chief Clerk of the Senate
Chief Clerk of the House

FROM: James A. Davenport, Executive Director


DATE: March 29, 1995

SUBJECT: **SB 1286 - HB 714**

This bill, if enacted, will encourage managed care organizations in the TennCare Program to use provider networks already established for the delivery of services to patients who are not eligible for enrollment in the TennCare Program. The bill prohibits TennCare MCOs from discriminating against providers who choose not to participate in the MCO's TennCare network.

The fiscal impact from enactment of this bill is estimated to be an increase in state expenditures to the TennCare Program. It is estimated that capitation rates would have to be increased to insure that sufficient providers remain in the program. The amount of increase cannot be reasonably determined but is estimated to exceed \$100,000.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.


James A. Davenport, Executive Director